

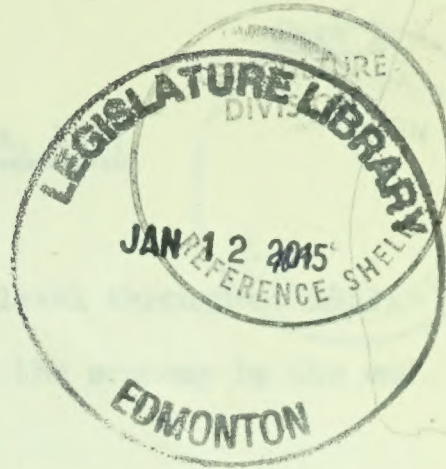
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REVIEW OF BUSINESS CONDITIONS

ALBERTA - 1953

Prepared by Bureau of Statistics,
Department of Industries and Labour,
Edmonton, Alberta.
January 5, 1954.



REVIEW OF BUSINESS CONDITIONS

ALBERTA - 1923

Economic activity in Alberta remained at a high level throughout 1953, but difficulties were being experienced in some sectors of the economy by the end of the year.

Although bumper crops were harvested on the prairies the difficulties presently being encountered in getting the crops to market are causing concern to farmers and farm organizations. Farmers' marketings of wheat (1953-54 crop year) in the Prairie Provinces to the 18 November, 1953, were 21% below those of last year. It is yet too early to determine the full effect of the drop in farm income on retail sales but it is noteworthy that retail sales in country stores were holding steady throughout the first three quarters of 1953 as compared with the same quarters in 1952.

As of the end of October marketings of cattle, calves and swine were 28%, 49% and 19% above marketings of the same date last year. However the value of the livestock marketed was 3% below 1952 value in the case of cattle and only 21% higher in the case of calves. Swine increased 32% in value indicating generally higher prices. Marketings of sheep and lambs declined 14% in number and 26% in value.

The index of farm prices of Alberta agriculture prices is estimated at 220.3 (Basis 1935 - 39 = 100) for October, three points below the September index and 26.6 points below the October 1952 index. However these figures must be accepted with reservations since they do not include all the interim and final payments which may be made on the 1952/53 and 1953/54 wheat delivered. The inclusion of these payments will result in upward revisions of the index for the current months.

Alberta's population was estimated at 1,002,000 in June 1953, an increase of 200,000 since the 1946 Census. The increase for the three prairie provinces since the 1946 Census is in the neighborhood of 400,000 which represents a sizable development of domestic markets for all types of businesses. The population of the prairies (2,672,000) has reached a point where it is now economic for larger manufacturing firms to set up plants to serve western markets. The growth of population has been complemented by a generally prosperous and bouyant economy during the ^{postwar} period, and of course both the population and the economy during the period have been stimulated by the discovery and development of the oil and uranium resources of the area.

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

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As of the end of October marketings of cattle, calves and swine were 28%, 4% and 1% above marketings of the same date last year. However the value of the livestock marketed was 3% below 1952 value in the case of cattle and only 1% higher in the case of calves. Swine increased 3% in value indicating generally higher prices. Marketings of sheep and lambs declined 1% in number and 2% in value.

The index of farm prices of Alberta agriculture prices is estimated at 230.3 (Base 1935 = 100) for October, three points below the September index and 26.6 points below the October 1952 index. However these figures must be accepted with reservations since they do not include all the interim and final payments which may be made on the 1952/53 and 1953/54 wheat deliveries. The inclusion of these payments will result in upward revisions of the index for the current month.

Alberta's population was estimated at 1,000,000 in June 1953, an increase of 200,000 since the 1946 Census. The increase for the three prairie provinces since the 1946 Census is in the neighborhood of 1,000,000 which represents a sizable development of domestic markets for all types of businesses. The population of the prairie (2,675,000) has reached a point where it is now a source for larger manufacturing firms to set up plants to serve western markets. The growth of population has been complemented by a generally prosperous and buoyant economy during the period, and of course both the population and the economy during the period have been stimulated by the discovery and development of the oil and uranium resources of the area.

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

Included with this review is a preliminary^{*} list of new manufacturing plants and extensions to existing plants, either completed in 1953 or contemplated for 1954. Inspection of this list leads to the conclusion that a fair proportion of the new plants will supply materials for the construction industry. In terms of dollar values new petroleum processing plants and extensions to plants will involve the heaviest investments. These petroleum plants will be in the northern part of the province close to existing oil, gas and refinery areas. Under construction in Calgary are large paper products plants. It is especially interesting to note that that city is rapidly becoming the battery manufacturing centre of Western Canada with two more plants, plus a plant to supply the lead plates, in prospect. In other centres outside the two large cities of Edmonton and Calgary the new plants, planned or completed, generally speaking are petroleum processors.

The Industrial Development Boards of the larger centres are making every effort, in anticipation of an increasing demand for favourable sites, to prepare industrial areas for use by new firms.

Development of Alberta petroleum resources continued at a high level of activity. The Petroleum and Gas Conservation Board reports that on the 21 December 1953, 4,477 oil wells were capable of being operated. The corresponding figure for 1952 at the same date was 3,630. Wells actually being operated at the end of October 1953 numbered 3,896 compared with the 3,159 wells at the same date 1952.

Comparable footages drilled in 1953 and 1952 to the end of October were 5,505,705 and 5,531,489 respectively.

The following table, prepared by the Petroleum and Natural Gas Conservation Board, outlines the drilling activity to the end of October 1953 compared with 1952.

	<u>Jan. - Oct. 1953</u>	<u>Jan. - Oct. 1952</u>	<u>12 Months 1952</u>
Licenses Issued	1,213	1,444	1,729
New Producers, Oil	732	766	946
New Producers, Gas	46	25	38
Wells Abandoned	408	442	529
Footage Drilled	5,505,705	5,531,489	6,631,529
Rigs Operating	133	138	XXXX

* A complete and final list will be issued in the near future by Mr. R. Martland, Director, Industrial Development Board, Dept. of Economic Affairs.

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

Natural gasoline, propane, butane and sulphur were produced in greater volume during the first ten months of 1953 than in the corresponding period of 1952.

	<u>Jan. - Oct. 1952</u>	<u>Jan. - Oct. 1953</u>
Natural Gasoline - bbl.	465,019	483,128
Propane - bbl.	260,754	355,363
Butane - bbl.	112,574	163,151
Sulphur - short ton	6,369	14,317

Sulphur production, except in small quantities, did not begin until the summer of 1952. Production during 1954 is expected to remain at about the 1953 level.

Two major oilfields were discovered during 1953: the Sturgeon Lake field, approximately 50 miles east of Grande Prairie, and the Pembina field about 80 miles west of Edmonton. A major oilfield is one having proven recoverable reserves of over 100,000,000 barrels of crude oil. It is believed that the Pembina field may have reserves comparable to those of the Redwater field.

Oil company officials report a slackening in activities pending clarification of the natural gas export issue. In November the Conservation Board announced that proven gas reserves now total 11.5 trillion c.f. Provincial and Federal government authorities indicated that the exportable surplus would be piped to eastern markets. Financial and construction arrangements are in progress.

Completion of the Superior, Wisconsin -- Sarnia, Ontario link of the Interprovincial Pipeline has enabled Alberta oil producers to maintain a much higher rate of oil production during the winter months of 1953. Daily rates for December 1953 approximated 255,000 bbl. compared with 180,000 in December 1952.

Preliminary figures compiled earlier this year by this bureau indicate that over \$210,000,000 were spent in 1951, and over \$310,000,000 were spent in 1952, by oil and pipeline firms in the development of Alberta petroleum resources and in providing pipeline transportation facilities. Officials of the Canadian Petroleum Association estimate that expenditures in 1953 were some 25% higher than in 1952. There were 11,500 persons directly dependent on the oil firms for livelihood who received \$40,000,000 in salaries and wages in 1951. The comparable figures for 1952 were 15,600 persons earning \$58,600,000.

Exclusive of petroleum, production of other minerals presents a somewhat spotty picture. Coal mining is suffering severely from competition with petroleum

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

products and is 20% below that of 1952. Conversion of railway locomotives to diesel fuel, and the introduction of propane gas appliances to rural and village homes, are removing the best local market of coal mines. The Alberta Research Council and officials of the Dominion Department of Mines and Technical Resources are searching for alternative uses for Alberta coal and for means of reducing its cost of mining once more to an economically competitive level.

Salt production, only slightly above that of 1952, can be expected to increase when the Western Chemicals Limited plant at Duvernay has been completed.

Sulphur production is rising rapidly. It is presently being marketed mainly in British Columbia and Quebec.

Sales of clay products, brick and tile, are holding firm at last year's levels. Indeed in the July-September period they were 11% above 1952 figures.

There has been a marked increase (87%) in cement production since completion of the Canada Cement Company plant extension at the Exshaw site. Railway traffic reports for the first eight months of the year indicate apparent net exports of approximately 121,000 tons of cement. Apparent net imports to the end of August 1952 approximated 3,000 tons.

Lime production has dropped in tonnage but prices appear well above 1952 levels.

Increasing interest is being displayed in the Athabasca Oil Sands. Twelve firms are engaged in coring and sampling in the area to determine both the extent of the deposits and economically feasible methods of extraction of the oil. The symposium held at the University of Alberta in 1952 intensified interest in the area. The deposits contain the greatest known reserve of oil in the world.

A preliminary estimate of the value of mineral production has just been released by the Dominion Bureau of Statistics. Alberta's mineral production is valued at \$245,954,755 for 1953. Comparable 1952 and 1951 valuations were \$196,811,654 and \$168,144,211 respectively. In 1951 Alberta ranked fourth, behind Ontario, Quebec and British Columbia, as a mineral producing province. In 1952 Alberta surpassed British Columbia and in 1953 Quebec production exceeded Alberta's by only \$7,000,000. Expressed as percentages of total Canadian production Alberta's shares increased from 13.5% in 1951, to 15.3% in 1952, to 18.5% in 1953.

The major increase, of course, was recorded in crude petroleum, production of which was over 30% higher than in 1952.

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1952

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exports of approximately 151,000 tons of cement, compared with imports to the end

of August 1952 of 10,000 tons. The 1952 production has dropped in tonnage but prices appear well above 1952

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REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

On a separate supplement are shown the principal statistics of specified manufacturing industries for the years 1951 and 1952 as compiled to date by this office. Total gross value of manufactures in the province in 1951 was \$458,281,384. Indications are that the 1952 figures will exceed \$500,000,000 nearly five times the gross value of manufacturing done in 1940 and ten times that of 1931 and 1932. Comparative figures on an industrial group basis for the years 1951, 1952 and 1953 are given below. The 1951 figures have been compiled by the Dominion Bureau of Statistics; 1952 and 1953 figures have been estimated in this Bureau on the basis of returns from manufacturing firms and from other information presently available.

GROSS VALUE OF MANUFACTURING - ALBERTA

	1951 (Final)	1952 (Preliminary)	1953 (Estimated)
	\$	\$	\$
Foods and Beverages	247,000,000	265,000,000	280,000,000
Leather Products	300,000	300,000	300,000
Textile Products (Excl. Clothing)	3,300,000	3,400,000	3,500,000
Clothing - Textile & Furs	7,200,000	7,500,000	7,500,000
Wood Products	51,000,000	55,000,000	55,000,000
Paper Products	3,400,000	6,000,000	7,000,000
Printing, Publishing, etc.	13,500,000	15,000,000	16,000,000
Iron and Steel Products	21,100,000	23,000,000	25,000,000
Transportation Equipment	16,500,000	18,000,000	19,000,000
Non-Ferrous Metal Products	1,400,000	1,500,000	1,600,000
Elec. Apparatus and Supplies	200,000	500,000	600,000
Non-Metallic Mineral Products	18,000,000	20,000,000	22,000,000
Petroleum & Coal Products	63,000,000	80,000,000	83,000,000
Chemicals & Allied Products	10,000,000	12,000,000	14,000,000
Misc. Manufacturing Industries	2,400,000	2,600,000	2,800,000
<u>T O T A L - - - - -</u>	<u>\$458,300,000</u>	<u>\$509,800,000</u>	<u>\$537,300,000</u>

The foods and beverages group is maintaining its long lead on the other industrial classifications but over the next few years the emphasis may reasonably be expected to alter. Extensions to the existing refineries and the erection of more gas processing plants will increase the proportionate value of petroleum products. Of the major petro-chemical plants of Alberta only the C.I.L. explosives

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

plant and the Consolidated Mining & Smelting Fertilizer plant in Calgary will be reporting on a full year's operations for 1953. The Canadian Chemical Company plant, the C.I.L. polythene plant of Edmonton and the Western Chemical Company plant at Duvernay only began actual production late in the year; the full impact of their volume and value of production will be first felt in 1954. The gross value of non-ferrous metal products may be expected to rise markedly after the Sherritt-Gordon plant at Fort Saskatchewan begins operations early in 1954.

By 1955 the value of refined petroleum products, chemicals and allied products, and non-ferrous metal products may well rival or exceed the value of manufactured products of agriculture, long the stand-by of the manufacturing industry of the province.

Lumber production to the end of October from Crown Lands was from 8% to 10% higher than in 1952. As most Alberta lumber is sawn in the months of December, January, February and March and as December 1953 weather was not particularly good for lumbering operations it is difficult to predict whether final 1953 production will be above that of 1952, but it does appear that 400,000,000 f.b.m. will be milled again. Prices appear firm at last year's levels.

Fishery production was 20% above that of 1952 in poundage, and only 12% higher in value, indicating that price per pound has declined slightly.

Wild fur peltings declined considerably but the decrease in value was not so marked. The more valuable types of animal are being trapped.

The construction industry enjoyed another banner year. Building permits for eleven months 1953 for Alberta cities were valued at \$111,000,000, a rise of \$28,000,000 over 1952. Calgary and Edmonton accounted for \$95,000,000 of the total, but the other cities showed proportionate increases over 1952 as well.

While the value of construction contracts awarded is about 7% below the values shown in 1952 the decrease is due largely to the completion of such major industrial projects as the \$70,000,000 Canadian Chemical Company plant, the \$13,500,000 C.I.L. polythene plant, and the various oil refineries. Residential construction is up by 60% and business and warehouse construction by 15%. Despite the drop in value of industrial construction there has been an increase in the number of units, indicating a rise in the number of secondary types of industries.

Electric power consumption in the province can be expected to exceed

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

1,330,000,000 K.W.H., a rise of about 15% over the 1952 total. The farm electrification programme is ahead of expectations; at the end of 1953 some 23,000 farms had been connected to power lines of the major distributors. Connections to farms were made at the average rate of about 400 per month during 1953.

Satisfactory progress is being made on Calgary Power Ltd., Bearspaw Dam project, west of Calgary, which will add 22,000 h.p. to the system. This power plant is scheduled for completion early in 1955. Calgary Power has announced plans for building a \$9½ million dam and plant at Wabamun west of Edmonton.

Wholesale and Retail trade have been relatively stable throughout 1953, at from 5% to 7% above the previous year's levels. Much of the inflationary pressure was absent from the economy during 1953 and it is probable that the increases represent actual increases in the volume of goods moved. On the other hand an impression has been gained that sales are less than they might have been: people have been paying off debts incurred earlier or "shopping around" more. The change from a seller's to a buyer's market has become noticeable.

Hardware wholesalers report that business has been steady throughout the year. Prices have been affected by freight rate increases, walk-outs and strikes. Supply is overtaking demand in some lines and there has been a tapering off in sales of certain lines such as electrical appliances, radios, washing machines, etc. European competition on imports, particularly tools and heavy hardware, will naturally have a bearing on 1954 prices; and should railway and transportation companies be granted further increases this will inevitably entail price rises beyond the wholesaler's control or capacity to absorb.

Dry goods wholesalers report an increase of about 5% over previous year's sales. There has been a slight easing of prices in some lines but not sufficient to make a significant impression. Footwear sales for the first three quarters of the year also showed a 5% increase, but there was a compensating decrease in October due to the light demand for heavy winter footwear. Prices in the footwear industry have been maintained at a stable level, and there is no indication that they will be easing off in the near future.

Wholesale grocers report another good year, with volume of sales about 7% above those of 1952. The increases have been fairly uniform in each quarter. Grocery prices are roughly 1% below those of 1952, and fruit prices about 4% lower. With most products available in adequate quantities, competition at the retail level

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first settlers, who came to the Americas in search of a new life. They found a land of opportunity, but also one of hardship. The early years were marked by struggle and sacrifice, as the settlers fought to establish a new society in a remote and often hostile environment. Over time, the United States grew from a small collection of colonies into a powerful nation, shaped by the ideals of liberty and democracy. The story of the United States is a testament to the resilience and spirit of its people, who have overcome countless challenges to build a nation that stands as a beacon of hope and freedom for all.

The early years of the United States were marked by a series of challenges and triumphs. The settlers faced a harsh and often hostile environment, with limited resources and a lack of infrastructure. Despite these difficulties, they persevered, building a new society based on the principles of liberty and democracy. The early years were a time of great struggle, but also of great achievement. The settlers proved their mettle, and the United States emerged as a powerful nation, capable of overcoming any obstacle.

The growth of the United States was a process that took time, but it was a process that was driven by the ideals of liberty and democracy. The settlers believed in the right to life, liberty, and the pursuit of happiness, and they fought to establish a society that reflected these values. The United States grew from a small collection of colonies into a powerful nation, shaped by the ideals of liberty and democracy. The story of the United States is a testament to the resilience and spirit of its people, who have overcome countless challenges to build a nation that stands as a beacon of hope and freedom for all.

The United States has a rich and varied history, one that is shaped by the experiences of its people. From the early years of settlement to the present day, the United States has been a land of opportunity and growth. The story of the United States is a story of resilience and spirit, of a people who have overcome countless challenges to build a nation that stands as a beacon of hope and freedom for all. The United States is a land of great promise, and its history is a testament to the power of the human spirit.

REVIEW OF BUSINESS CONDITIONS - ALBERTA, 1953

has been keen resulting in many specials being offered but few large changes in basic prices. Lower prices for meat, salmon, sugar, rice and soap products were noted during the year. Prices of tea, coffee, canned apples, honey and salt increased slightly. In general food prices continued to level off during 1953 with few of the violent fluctuations of earlier postwar years.

Officials of the Dominion Department of Trade & Commerce have stated that they expect that economic activity in Canada in 1954 will be maintained at 1953 levels despite temporary difficulties in certain sections of the economy.

On the assumption that an average crop, at prices in line with those of the past few years, will be harvested in 1954, indications are that the year will be equally prosperous for Alberta. There are no signs of marked drops in the volume or value of construction activity, although it is possible that the locale of major construction projects may shift. The contemplated amendments to the National Housing Act may well give a fillip to a high volume of low-cost housing. Civic, provincial and federal officials have announced some major building projects as well, which will have the effect of providing continued employment for construction workers.

With the completion of the Transmountain pipe line to Vancouver, Alberta oil is flowing to the Pacific and eastern markets. Year round rates of oil production will be maintained. The natural gas export situation appears to be clearing and as soon as definite plans are announced Alberta may well expect increased drilling and exploratory activity. Also to be expected will be higher levels of construction and manufacturing activity since new petro-chemical plants will be needed to process the raw gas for export.

Established manufacturing firms should not experience other than normal seasonal fluctuations in business. The prairie region cannot be termed over-industrialized and local manufacturers are not yet dependent on export markets to a significant extent.

Retail and wholesale sales should be maintained at normal levels if prairie crops can be moved to market. Indeed it is probably a healthier economic condition to have farm cash income receipts spread throughout the year rather than concentrated in the fall season.

With the exception of the coal industry all sectors of the Alberta economy may be expected to experience a prosperous 1954.

